

Analysis of Concerns Related to High Utility Bills

The City of Cedar Park understands customer frustration about unusually high water bills. Like many cities across Texas including Austin, Round Rock, and cities in the Dallas metro area, Cedar Park is experiencing a major demand in water consumption in July and August, exacerbated by dry, hot conditions.

Between June and August, Cedar Park experienced overall demand for water almost doubled in Cedar Park.

The City takes the concerns of our residents seriously, and to address these concerns, the City's Utility Department has been investigating possible anomalies causing higher than expected bills. The City conducted a thorough analysis of water usage patterns, examined historical trends, and studied the entire water system to find possible meter reporting and billing errors, including potential software issues. After exhaustive testing and analysis, the data shows that reporting and billing systems are fully functioning, and water usage increased significantly in late summer.

Below is an outline of three factors that can contribute to higher than expected water bills. Supplemental charts and data follow this document.

Customer Concerns	Contributing Factors
Higher than expected water usage amount	Weather Conditions
Higher than expected bills	Increased Customer Demand and Usage
A significant leap in total bill amount from one month to another	Tiered Water Rate System

Factor 1: Weather Conditions

Central Texas experienced record setting rainfall in May and above average rainfall in June, creating cooler temperatures and less water demand. However, Cedar Park received no rainfall in July, trace amounts of moisture in August, and to date, September has been drier than normal. Spikes in usage during the summer are typical, however the spike in July and August is more significant than last year. A period of 75 consecutive dry days, combined with multiple 100-plus degree days, created dry, hot conditions that have contributed to an overall increase in demand for water. The City's analysis of past summer water trends shows a direct correlation between rainfall and water use. As rainfall decreases, water consumption increases.

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Factor 2: Increased Customer Demand and Usage

The City's water plant and system is "demand based" meaning the amount of water treated and delivered is a direct result of what is demanded by users. Between June and August, Cedar Park's overall demand for water almost doubled. When compared to historical water consumption data between 2011 and 2015, the overall consumption from most accounts is not out of the norm. What is unusual in the summer of 2015 is how suddenly the spike in usage occurred.

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The data shows that in 2015, water usage was below average in the cooler/wetter months of May and June, and although water usage for July and August were on par with historical readings of dryer and hotter temperatures in Cedar Park, water bills seemed higher given the dramatic change in weather conditions.

The average amount of water used by residential customers varies widely across Cedar Park. Many factors can impact the amount of water used such as how many people live in a home, how large of a yard the home has, how frequently and for how long a homeowner waters their grass, whether or not the home has an automatic sprinkler system, and if the home has a pool. Operating a sprinkler system can use between 3,000 and 5,000 gallons of water per run, and filling a pool can use 20,000-40,000 gallons. However, these are just averages and your individual account and usage may vary.

Operating a sprinkler system can use between 3,000 and 5,000 gallons of water per run.

If you would like to calculate a more exact amount for your specific sprinkler system, add the total number of minutes all of your zones are set to run, then multiply this total number of minutes by 12 gallons per minute to get the total gallons of water used per each watering episode.

Factor 3: Tiered Water Rate System

Like most Texas water utilities, the City of Cedar Park has tiered pricing for water in which the price of water increases as the overall consumption increases. This is based on individual usage, not citywide usage. In other words, the price an individual account is charged for water is directly related to the individual amount used.

Tiered pricing for water rates stipulate:

- Tier 1: \$3.96 from 2,001-10,000 gallons,
- Tier 2 : \$4.75 from 10,001-15,000 gallons, and
- Tier 3: \$5.70 per gallon over 15,001.

Because it is probable that water consumption increased due to the factors addressed above (dry, hot conditions, use of sprinkler systems, etc.), many accounts used enough water to enter into the City's Tier 3 pricing, which is approximately a 20% increase from Tier 2. At this higher rate, bills can quickly become higher than expected. In June 2015, only 7% of customers used greater than 15,000 gallons of water due to the high rainfall; however, in August more than 40% of residential customers entered Tier 3 as overall consumption increased significantly.

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How We Can Help

We strongly encourage residents to take advantage of the conservation program resources and information at www.waterrthriftycedarpark.org and www.cedarparktexas.gov/waterbillinfo.

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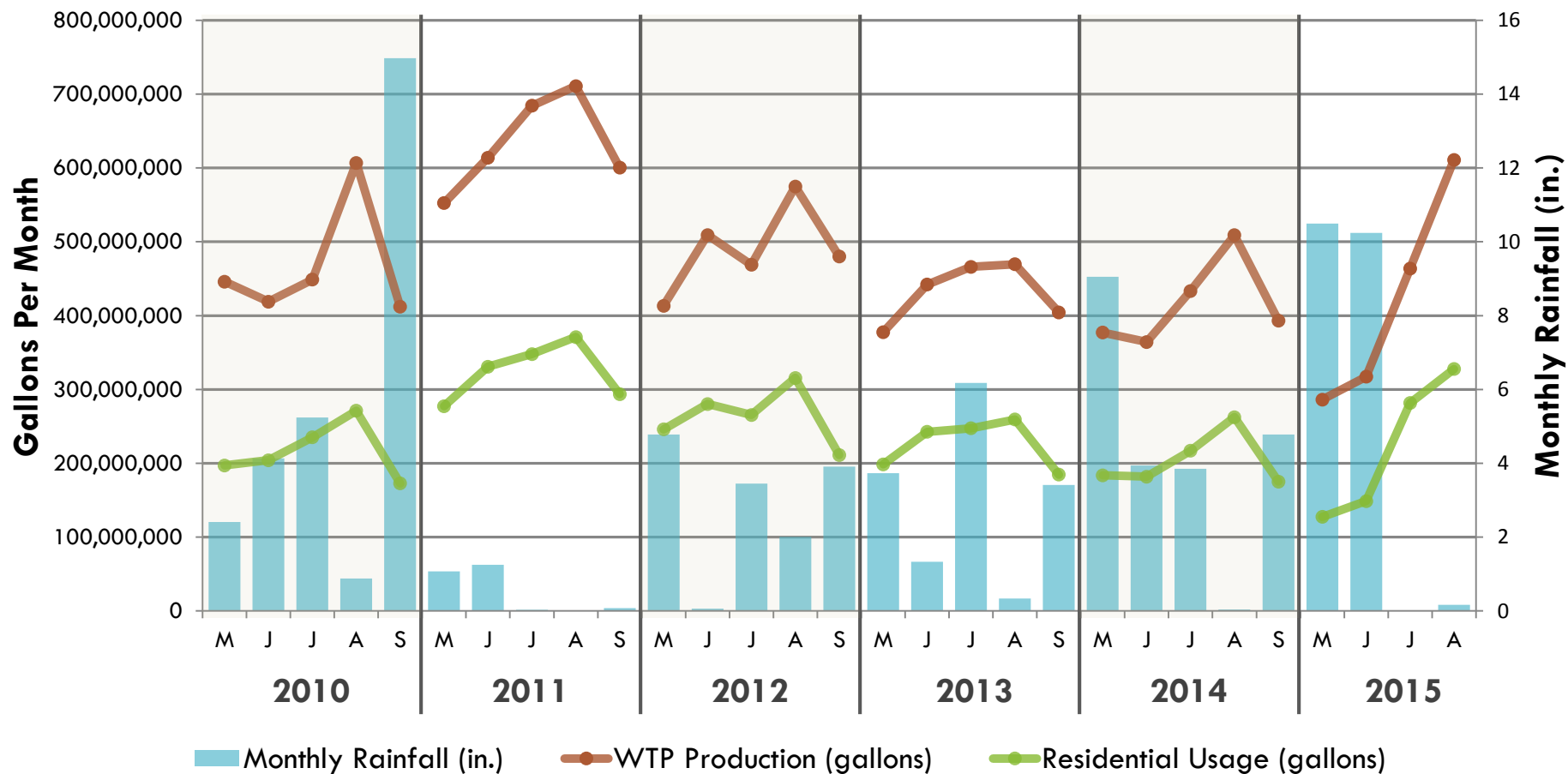
We are committed to maintaining an infrastructure that provides accurate readings to all of our residents. The City is also committed to working with residents on individual billing issues and other water concerns

*We're here to help!
Contact us at 512
401 5300 to discuss
your individual
account.*

including requests for meter testing. Customers can request a five-year historical look at personal residential consumption by emailing the city (penny.ewell@cedarparktexas.gov).

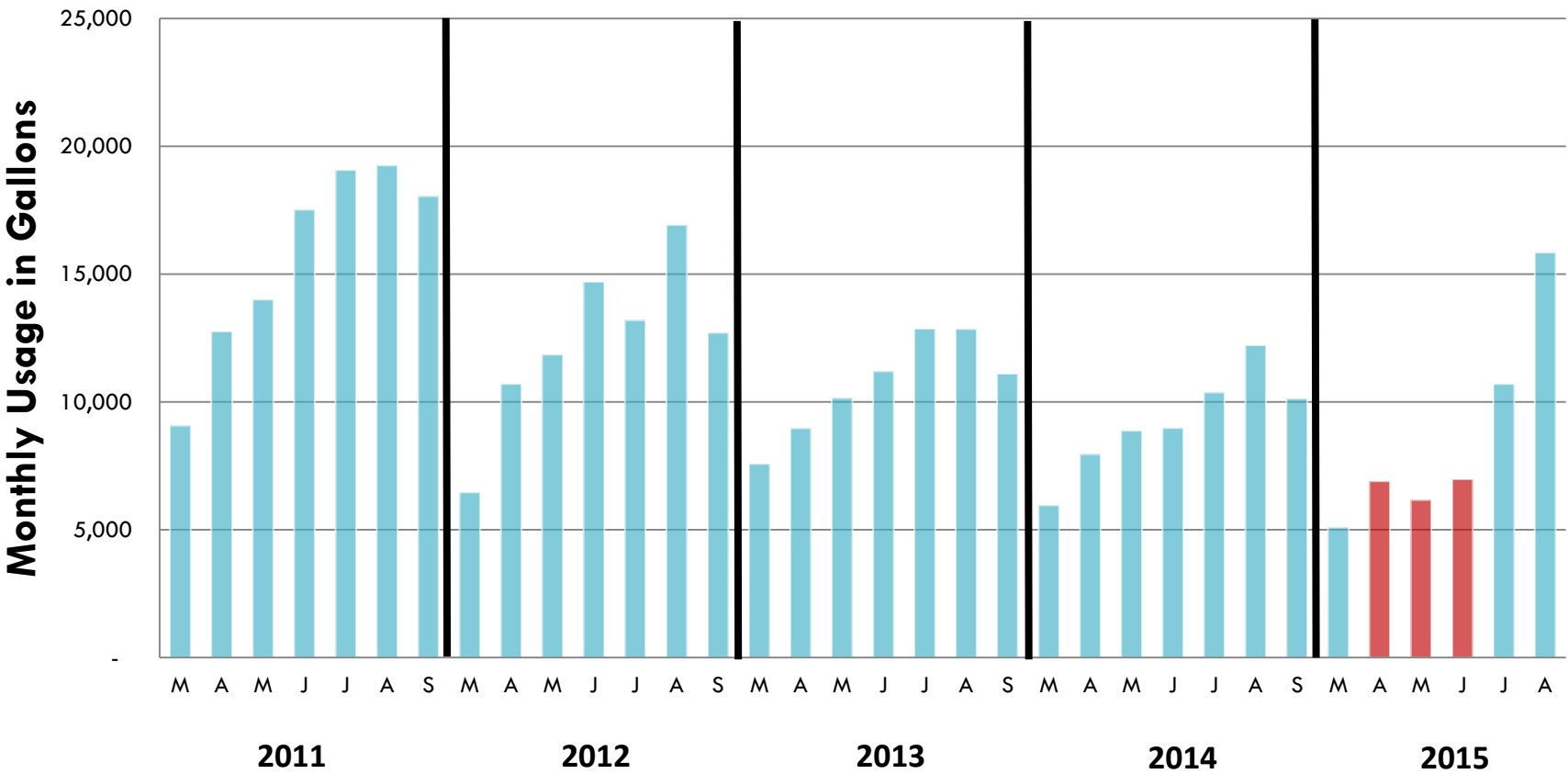
We understand that an unexpectedly high water bill can be difficult to manage. Residents experiencing this issue must call Utility Billing at 512 401 5300 to discuss due date extensions, payment plans, and bill adjustments for eligible leak repairs. **In response to customer concerns, no residential account will be terminated for non-payment through November 1.**

Summer Months Water Plant Production and Residential Water Usage W/ Rainfall

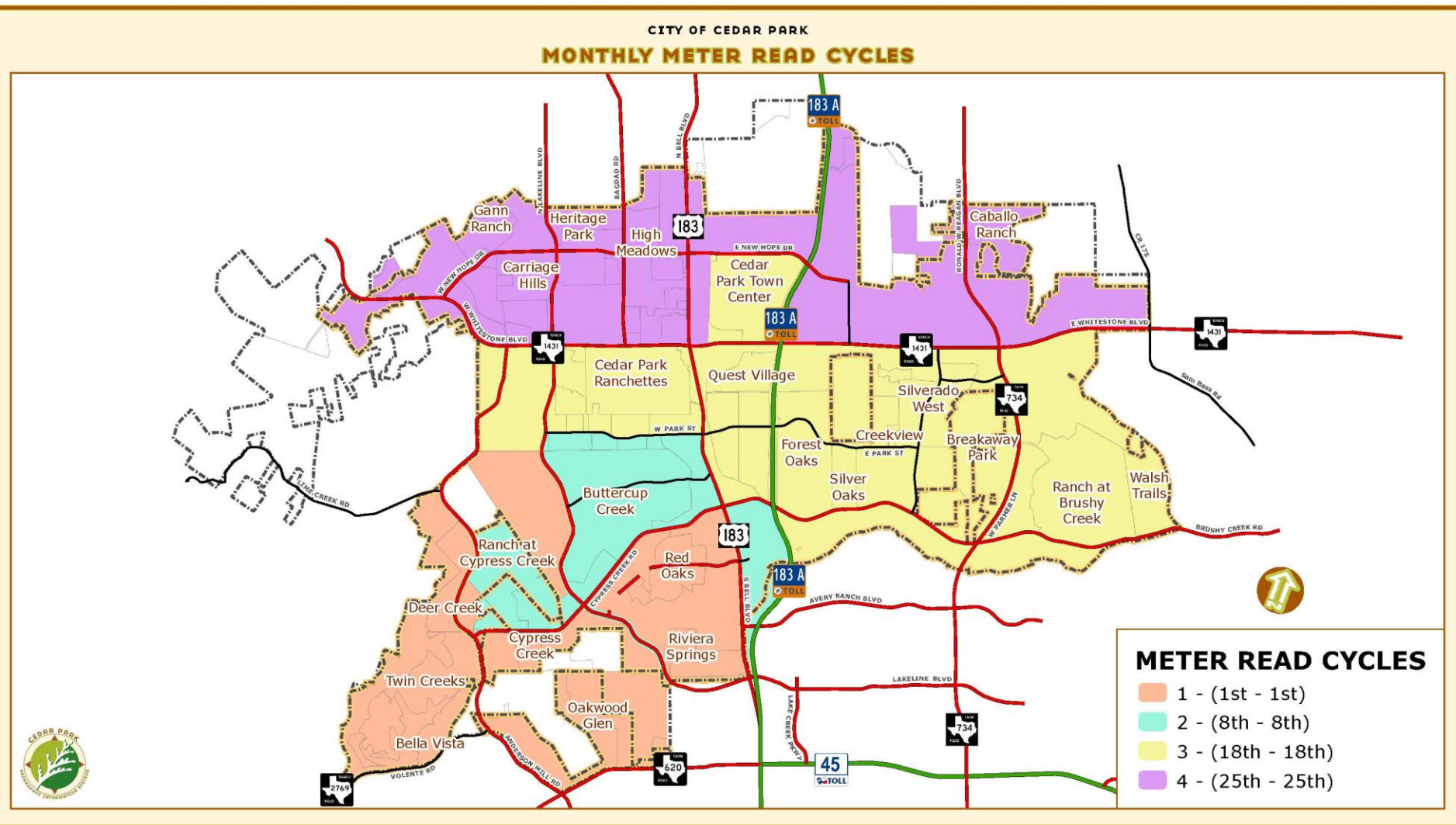


Residential Water Use Trends

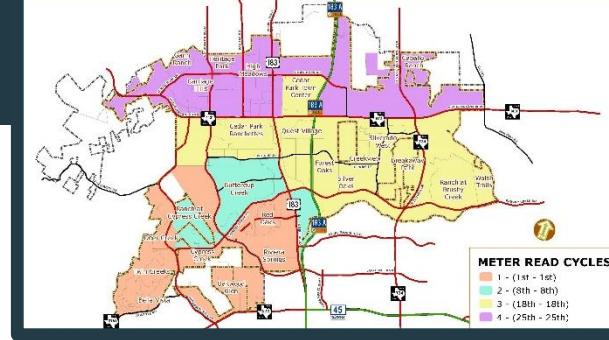
Summer Months Residential Water Usage
(March - September)



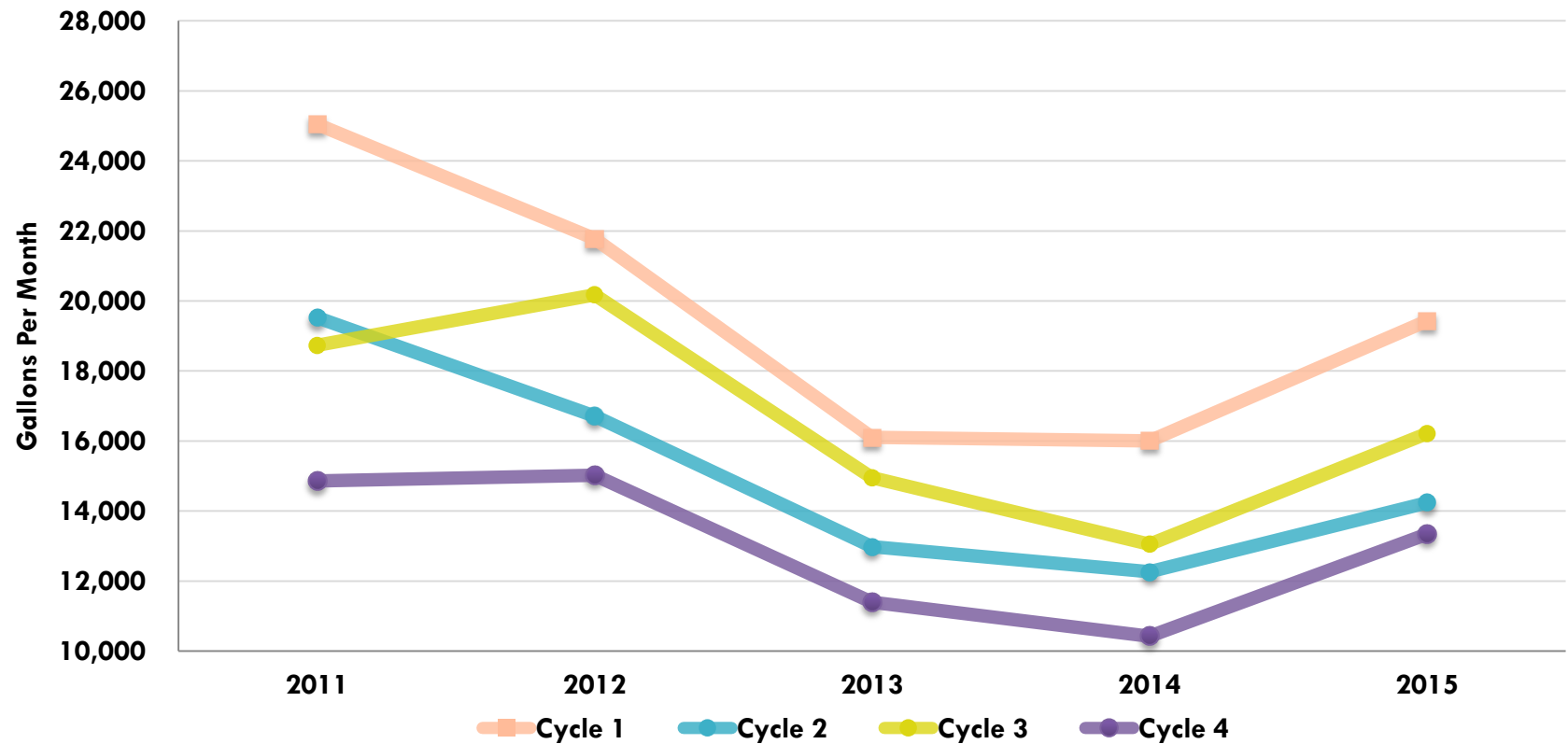
Billing Cycle Map



Residential Water Use By Cycle

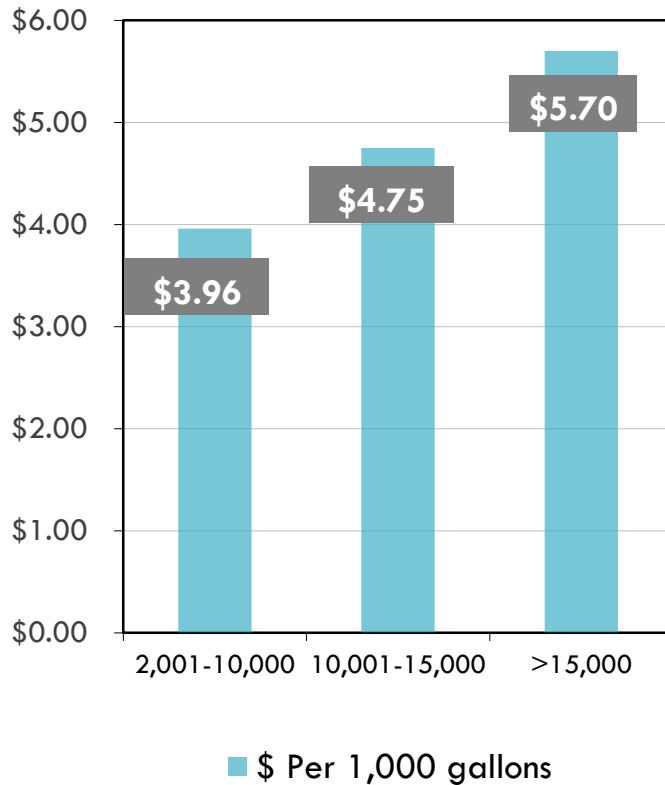


Residential Max Monthly Usage By Cycle (Gallons Per Month)



Conservation Block Rate Impacts

Stage 3 Block Water Rates



% Of Residential Accounts With Monthly Usage Over 15K Gallons and Monthly Rainfall (March-September 2015)

